

OST 2000-7182-554 ~~030107-012~~



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

February 19, 2003

236024

The Honorable Richard C. Shelby
United States Senate
Washington, DC 20510-8025

DCK:
Dear Senator Shelby:

Thank you for your letter of January 6, cosigned by Senator Patty Murray, supporting the application of US Airways for exemptions from the high density rule at Ronald Reagan Washington National Airport (DCA) for additional services to Mobile, Alabama.

Under the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21), enacted April 5, 2000, the U. S. Department of Transportation may grant 12 slot exemptions (enough for six round trips) to air carriers to provide nonstop air service within the 1,250 mile perimeter established for air transportation at DCA. Four of the exemptions must be awarded for service to small hub or nonhub airports. The Department awarded the 12 slot exemptions in July 2000. Six of these exemptions, including two for small/nonhub services, subsequently became available for reallocation. US Airways was one of six carriers seeking reallocation of the available exemptions.

On January 22, the Department made exemption awards to AirTran Airways and Corporate Airlines. In reaching its decision, the Department was guided by the selection criteria that are mandated by the AIR-21 legislation. In addition to reserving slot exemptions for small community service, the statute requires that the Department afford priority to new entrant carriers at DCA, service to communities that do not have nonstop flights to DCA, or the enhancement of competition, including through the provision of low-fare service.

The Department selected AirTran because it was a new entrant to DCA and AirTran's low-fare service would also provide substantial competitive benefits at DCA, an airport that currently has limited low-fare options. Corporate was also a new entrant carrier, and was one of only two applicants for the two slot exemptions reserved in this proceeding for small community service.

US Airways' proposal did include service to small communities. However, given the statute's emphasis on increasing new entry at DCA, the Department was required to give considerable weight to the fact that US Airways is the largest DCA slot holder. As a result, US Airways has greater flexibility than any other carrier to serve communities within the DCA flight perimeter, including Mobile, using its current DCA slot portfolio. Furthermore, unlike AirTran, US Airways' proposal offered no enhanced competitive benefits, such as low-fare service.

While I appreciate the interest of carriers in expanding their DCA services, the AIR-21 statutory limits allow the Department to grant only a very limited number of requests for new services at the airport. For your convenience, I am enclosing a copy of the Department's order.

2003 MAR 11 A 9:41

DEPT. OF TRANSPORTATION
FOOTNOTES

As is our normal practice, I am placing a copy of your letter and my response in Docket OST-2000-7182 as a contact outside the record of the case. An identical letter has been sent to Senator Murray. I appreciate your interest in this matter. If I can provide further information or assistance, please feel free to call me.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Norman Y. Mineta". The signature is stylized with a large initial "N" and a cursive "Y".

Norman Y. Mineta

Enclosure



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

February 19, 2003

The Honorable Patty Murray
United States Senate
Washington, DC 20510-8025

PATTY:
~~Dear Senator Murray:~~

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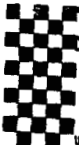
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Sincerely yours,

A handwritten signature in black ink, appearing to be 'N. Mineta', written in a cursive style.

Norman Y. Mineta

Enclosure



JAN. 7. 2003 10:05AM DOT/TASC/GOVT. AFFAIRS

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January 6, 2003

Honorable Norman Y. Mineta
 Secretary of Transportation
 U.S. Department of Transportation
 400 7th Street, SW, Room 10200
 Washington, DC 20590

Re: Docket OST-2000-7182

Dear Mr. Secretary:

US Airways, Inc. has applied to the Department of Transportation requesting within-perimeter slot exemptions at Ronald Reagan Washington National Airport (DCA) allowing service to Mobile Regional Airport. We are writing in support of the application and specifically in support of nonstop service between Mobile and DCA.

The City of Mobile and surrounding areas lack adequate air carrier service. Although Mobile Regional Airport is the region's primary link to the air transportation network for more than 1.4 million people, the airport does not provide nonstop air service. Following the September 11th attacks, Mobile suffered a disproportionate loss of service, losing six daily nonstop flights to three major city pairs: Washington, DC, Chicago, and Cincinnati.

Air service between Mobile and Washington, D.C. is provided by one dominant carrier, and approval of US Air's application would substantially improve travel options for the region. In the past, when a second carrier offered nonstop service between Mobile and Washington, D.C. lower fares and more choices were available.

The Mobile community needs more air service alternatives and more competition. Residents in the area would benefit from the direct service to DCA as well as improved connections to other cities. For these reasons, we strongly support the application of US Airways and urge your favorable consideration of the US Air application.

The filing by US Airways presents an opportunity to extend competitive air transportation system to Mobile, and we look forward to hearing of your approval of the application.

Sincerely,

Richard C. Shelby

Patty Murray